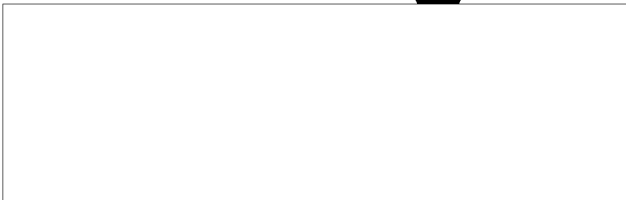


3 JUN  
1983

STAT



OP/PAB

is chairman of the Agency  
campaign. Shouldn't this  
go to her for action vice  
info. *[Signature]*

DD/A REGISTRY  
FILE: 30-1

*done!*  
6 JUN  
1983

# **EXECUTIVE SECRETARIAT**

## **Routing Slip**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS				
5	DDI				
6	DDA	✓			
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/EE0		✓		
14	D/Pers				
15	D/OEA				
16	C/PAD/OEA				
17	SA/IA				
18	AO/DCI				
19	C/IPD/OIS				
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SUSPENSE		Date			

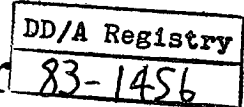
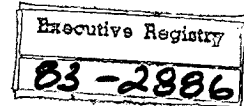
Remarks:

Executive Secretary

6/3/83

Date

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# Interagency Savings Bonds Circular

OFFICE OF THE CHAIRMAN

WASHINGTON, DC 20226

May 1983

COMMITTEE CIRCULAR NO. 83-8

TO: INTERAGENCY SAVINGS BONDS COMMITTEE, ALTERNATE COMMITTEE MEMBERS AND AGENCY SAVINGS BONDS COORDINATORS

SUBJECT: MARKET BASED RATE FOR U.S. SAVINGS BONDS SET AT 8.64% FOR MAY THROUGH OCTOBER

Attached for your information is a copy of Treasury News dated May 3, 1983 announcing the Market Based Rate for U.S. Savings Bonds for May 1983 through October 1983.

We ask for your assistance in making this information available to all Federal Employees through the following means:

1. Message imprinted on Earnings and Leave Statements
2. Bulletin Boards
3. Employee Communications (newsletter, etc.)

If additional information is required, please contact Robert J. Sweeney, Federal Payroll Savings Officer, U.S. Savings Bonds Division at (202) 634-5385.

Your help in carrying this message to all Federal Employees is greatly appreciated.

Samuel R. Pierce, Jr.  
Secretary of Housing  
and Urban Development  
Chairman, Interagency  
Savings Bonds Committee

Attachment



*Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan*



# TREASURY NEWS



**U.S. Savings Bonds Division**  
**Washington, D.C. 20226**

**Department of the Treasury**  
**(202) 634-5389**

FOR IMMEDIATE RELEASE  
May 3, 1983

Contact: Stephen Meyerhardt

## **SECOND MARKET-BASED RATE SET FOR BONDS: 8.64% FOR MAY THROUGH OCTOBER**

The market-based interest rate for Series EE Savings Bonds issued between May 1 and October 31, 1983, is 8.64 percent for their first semiannual interest period. Older Series EE and E Bonds and U.S. Savings Notes will also receive this market-based rate for six month interest-accrual periods starting between May 1 and October 31.

The market-based rate is 85 percent of the market rate on Treasury five-year securities during the previous six months. Series EE Bonds issued since November 1, 1982, must be held at least five years to qualify for the rate. Accrual-type Savings Bonds and Notes issued before that date are eligible for market-based rates if held and earning interest to the first interest-accrual period beginning on or after November 1, 1987.

The rate for the previous market-based period -- November 1, 1982, through April 30, 1983 -- was 11.09 percent, and the average yield for the two periods is 9.87 percent. This average is part of the market-based formula only for eligible bonds issued on or before April 30, 1983. The average yield will change as each new six-month rate is averaged in with previous

(over)

- 2 -

six-month rates earned from November 1, 1982 or the issue date on the bond, whichever is later.

"Public reception of the market-based interest system has been very positive," Treasurer Buchanan said. "Sales have increased over comparable year-earlier figures each month since the system went into effect. Since January, sales are up nearly 30 percent, while redemptions have dropped by a third.

"With payroll savings activity -- the major way bonds are sold -- also showing encouraging upward movement, we believe that the market-based interest system is returning the Bond Program to a solid, competitive position among savings instruments," she continued.

The redemption value of a bond held five years or longer is determined by the Treasury Department by averaging the marketable five-year rates during each semiannual period, multiplying by 85 percent, averaging the ten semiannual rates, and compounding the result semiannually from the first period. Bonds receive the semiannual market-based rate for their respective semiannual interest periods beginning on or after each May 1 and November 1. As always, bond holders can find the current redemption values of their bonds using the Tables of Redemption Values provided by the Treasury Department to banks and other redemption agents.

New bonds are guaranteed to earn a minimum rate of 7.5 percent per annum, compounded semiannually, if held five years or longer. The guaranteed yields on older bonds in effect before November 1, 1982, continue as a minimum to the end of

- 3 -

original or extended maturity periods which began before that date. Minimum guaranteed yields are effective only when higher than the market-based yield. Interim yields for new issues held less than five years range from 5.5 percent after one year to  $7\frac{1}{4}$  percent after  $4\frac{1}{2}$  years.

Savings Bonds redeemed or reaching final maturity before being held at least five years after November 1, 1982, are not eligible for market-based interest. These bonds earn interest on a fixed scale to redemption or final maturity, depending on original issue date. Series E bonds issued May 1, 1941 through May 1, 1943 and Series H Bonds issued June 1, 1952 through September 1, 1953 have reached final maturity and no longer earn interest.

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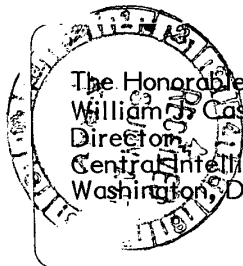
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INTERAGENCY SAVINGS BONDS COMMITTEE  
Office of the Chairman  
Washington, D.C. 20226

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PENALTY FOR PRIVATE USE, \$300



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The Honorable  
William J. Casey  
Director  
Central Intelligence Agency  
Washington, D.C. 20505